

REMARKS

The April 28, 2005 Office Action is a final rejection. This response is made within two months and a Notice of Allowance or an advisory action is anticipated.

The Examiner has discussed Applicant's previous response at pages 14 – 16 of the office action and has deemed the arguments as not persuasive.

It is believed that there is a fundamental misunderstanding regarding the nature of user fees which are distinct and very different from the endowment funding used to permanently maintain and support the archival system. In the Applicant's methodology, an archived IP cannot be abandoned and lost despite future loss of financial support or disinterest by users or the IP archiving party. Economic risks to threaten the archival permanence of the archived IP are eliminated.

Claim 3 (the only independent claim) has been amended to assist the Examiner in clarifying the distinction between the two elements of user fees and endowment funding.

It is believed that now that this distinction has been clarified for the Examiner, the prior art will be shown to have been distinguished and the claimed invention will be shown to be non-obvious.

Illustrative Example

Merely illustrative of the principles herein, and in one preferred example, the endowment funding can be demonstrated in a practical example: The owner of an IP, such as a literary work, can contribute and archive the work in the system together with a single initial, upfront and discrete financial contribution, at least portion of which is a discrete archival endowment or endowment fund. The quantum of the discrete archival endowment is sufficient to provide a stream of funds, such as an annuity, which satisfies the costs of archival for the associated or corresponding IP, assuring its permanence, or at least its storage and archival for as

long as or as a short an archival period as may be desired by the IP-owner. Even if there is marginal access or even if no user is ever interested in paying user fees to access the archived IP, its existence is assured and continuing due to the financial support of the endowment fund. A discrete archival endowment fund can be provided and be associated with each specific contributed IP for archival. Other IP owners or benevolent supporters of other IP-owners would similarly lodge IP with the system with an appropriate endowment fund to financially support the IP. It could be that the magnitude of the endowment fund required might vary with different types of IP, volume or access characteristics.

It is believed in view of the amended claim and the arguments herein, the Examiner is not justified in making a *prima facie* case for obviousness.

Claim Rejections

Applicant appreciates the Examiner's acceptance of Applicant's amendments to overcome the §112 indefiniteness defects identified in claims 13 and 30. As discussed in the last response dated Feb. 22, 2005, claims 1, 4-8, and 14-18 were previously cancelled.

Claims 3, 2, 9-13 and 19-32 are pending. Claim 3 is the sole independent claim and all others depend therefrom, including claim 2.

Claims 3, 2, 10-13 and 19-32 - Rejection under 35 USC 103(a) – Obviousness

Examiner has maintained the previous rejection of claims 3, 2, 10-13 and 19-32 as being obvious over Watanabe et al. (US 6,157,947, hereafter "Watanabe") in view of Wilkinson (US 2001/0034695, hereafter Wilkinson).

Amended Claim 3

Amended claim 3 clarifies that an endowment fund is established and is associated with each archived IP. The endowment fund is a financial element distinct from the user fees which are more clearly defined as being insufficient to assure continued availability of the archived IP. In short, user fees are different

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from, and have a different purpose from, the financial support provided under the endowment fund or funds associated with each archived IP.

Examiner's Response to Arguments

Regarding the Examiner's Response to Arguments (pages 14-16), the Examiner appears to have incorrectly characterized the Applicant's position. Applicant acknowledged (see page 9, Feb. 22 response) and still acknowledges that Watanabe is a user based system. What Applicant contends is that Watanabe neither teaches, nor contemplates, an endowment fund for the assurance that the IP remains archived and accessible regardless of any user fees. Further, Watanabe does not discuss user fees for access. This is acknowledged by the Examiner in the previous office action (at p.3 paragraph 4). Watanabe ignores the financial aspect in its entirety.

Applicant acknowledges that the charging of user fees for access to various forms of IP is general knowledge to those in the art. However, user fees are unpredictable and cannot be relied upon to ensure sufficient finances are in place to maintain the archived IP and assure its permanence.

Applicant maintains that while Wilkinson contemplates business transactions, there is neither a single reference to archiving IP for access, nor a single reference to the receipt of any fees to archive or access archived IP. Hence, Wilkinson cannot be a user-fee based system and does not provide the missing element of Watanabe and cannot be properly combined in an obviousness rejection.

Applicant acknowledges that endowments are known as means for providing a sustaining interest income for a purpose. Applicant is the first to apply such a concept to the claimed methodology for assuring continued accessibility to archived IP. Applicant also acknowledges that Wilkinson names trusts and endowments as some of the numerous business entities which can be involved in the evaluation of IP assets which Wilkinson's proceeds to value as a tradable commodity. A particular business entity, being an endowment or a trust, owning IP assets, is distinctively different from a scenario wherein that endowment trust entity

actually establishes a sum of money in an endowment fund dedicated to and associated with an archived IP and magnitude of which is sufficient for the generation of financial support to ensure the permanence of that archived IP in the storage and retrieval archival system.

As Wilkinson sets forth at [0013] and [0014] IP is traded as a tangible asset. A user of Wilkinson's system is like a person buying stocks on a stock market – not for goods but for IP assets, in the form of financial instruments. The IP assets are not maintained and archived, but are bought and sold. The IP asset itself is never accessed. Who might maintain the IP asset has not been specified by Wilkinson. The value Wilkinson assesses to the IP asset is not applied to its preservation or maintenance. At [0015] a user can bid on a financial instrument which represents an ownership interest in one of more intellectual property assets. At [0023] the trading would be regulated and fees charged to fund the regulatory process. No fees are applied at any time to maintain any of the IP assets. Wilkinson's fees only support the regulation of the trading of financial instruments representing IP assets. Due to the lack of relationship between fees to maintain the trading environment and the actual IP asset, no funding at all is directed to archiving or maintaining IP. Wilkinson's system neither contemplates the loss of future access to the underlying IP, nor methods to prevent such loss.

Wilkinson is missing every element of Applicant's methodology including elements of: archiving of IP, charging user fees for access to IP, establishing an endowment fund to ensure the continued maintenance and accessibility to archived IP, and separate management of the user fees and endowment fund. Wilkinson neither completes the missing elements of Watanabe and vice versa.

Further on the point regarding separation of management, Applicant stresses that Wilkinson and Watanabe do not teach or suggest separate management of user fees and the endowment fund. In this regard, Applicant would respectfully dispute Examiner's characterization as set forth in the rejection of claim 20, at Page 6-7 of this office action and specifically where the Examiner contends

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that separate management is obvious stating in part that 'since the management of fund is financial in nature while IP management deals with intellectual property'. Applicant notes that management of the storage and retrieval system involves both management of intellectual property and the management of ongoing operational finances. The separation aspect of the claimed invention is more akin to the separation of the management of General Motors, the company, from the management of its pension plan, which has a mandate deliberately set apart from the general operational management. In this illustration, the underlying principle of this separation is to ensure that financial viability of the pension fund is independent from the success or failure of General Motors the company.

Neither Watanabe nor Wilkinson recognize the importance, nor suggest the need for separation of operational and archival management.

Obviousness Rejection - Detail

Applicant would like to address the Examiner's obviousness rejection in greater detail as follows.

Generally, it is believed in view of the amended claim and the arguments herein, there is not a *prima facie* case for obviousness.

(1) All elements of the claim must be evaluated when evaluating a claim for obviousness (MPEP 2143.03).¹ A claim cannot be found obvious if the prior art is missing a material element. None of the references teach or contemplate the establishing of an endowment fund for the archived IP.

¹ MPEP 2143.03 All Claim Limitations Must Be Taught or Suggested:

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

Applicant notes that in *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988), the court held that a reference did not render the claimed combination *prima facie* obvious because the examiner ignored a material, claimed limitation which was absent from the reference.

Regardless of the chance appearance of the word "Trust" or "endowment" as a form of business entity in Wilkinson, none of the instances refers to a sum of money invested in the financial preservation of archived IP. Neither reference teaches the element of an endowment fund associated with each archived IP to assure its permanence in the archival system. Thus, neither can be combined with the other to render the claimed invention obvious.

(2) Watanabe and Wilkinson did not identify the problem (MPEP 2143.01)² The loss of a user's access to IP due to the financial failure of an IP archival system was not identified in either reference. Applicant identified the problem and provided a solution, the prior art did neither.

(3) If one of the references were to include the missing endowment fund element, the mere fact that the prior art could be combined STILL does not render the combination obvious unless the reference suggests the

² MPEP 2143.01: There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." *In re Rouffet*, 149 F.3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998). The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000). See also *In re Lee*, 277 F.3d 1338, 1342-44, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002) (discussing the importance of relying on objective evidence and making specific factual findings with respect to the motivation to combine references); *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

Applicant notes that *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45 (1923) established the rule that the discovery of the source of the problem may result in a patentable invention despite the fact that the solution would have been obvious once the source of the problem was discovered. Thus, if recognition of the source of the problem is not taught or suggested by the prior art, a rejection for prima facie obviousness is defective even if the solution claimed would have otherwise been obvious.

Applicant further notes that in *In re Nomiya*, 509 F.2d 566, 572, 184 USPQ 607, 612 (CCPA 1975): "[Where] there is no evidence of record that a person of ordinary skill in the art at the time of [an applicant's] invention would have expected [a problem],....it is not proper to conclude that [an invention], which solves this problem ...would have been obvious to that hypothetical person of ordinary skill in the art. The significance of evidence that a problem was known in the prior art is, of course, that knowledge of a problem provides a reason or motivation for workers in the art to apply their skill to its solution."

desirability of the combination (2143.01)³. Neither reference makes reference to the desirability of providing an enduring archiving of IP, regardless of user interest and, as stated earlier, neither contemplates an example scenario including financial failure of the business that is archiving the subject IP. Neither reference contemplates a loss of interest by the archiving entity in maintaining archived IP assessable beyond some initial commercial interest. Neither reference is aware of the identified problem of permanence and likewise does not suggest why one would fund indefinite maintenance of any archived IP.

(4) Absent some teaching, suggestion or incentive to support a combination, obviousness cannot be found (MPEP 2143.01)⁴. Without identification or acknowledgement of the problem in the first place, neither reference would offer incentive, suggestion or teaching to the ordinary skilled person so as to place endowment funding in place. That a "trust" or "endowment" entity is mentioned as a possible financial stakeholder in the financial value of some IP-based assets is irrelevant in the claimed element of an actual establishing of endowment funding associated with archived IP.

Even if all the elements of a claim are disclosed (which Applicant denies) the claimed invention as a whole cannot be said to be obvious without some reason given in the prior art why one of ordinary skill in the art would

³ MPEP 2143.01 provides: The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests a desirability of the combination. *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990).

⁴ MPEP 2143.01: Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art. "The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." *In re Kotzab*, 217 F.3d 1365, 1370, 55 USPQ2d 1313, 1317 (Fed. Cir. 2000)

have been prompted to combine the teaching of the references to arrive at the claimed invention.

Watanabe: provides access to reusable technical documents or specifications. The documents are internal to a company or common industry. There is no mention of an interest to users beyond the life of the particular business; there is no financial reward or financial overhead contemplated. There is no incentive for Watanabe to be concerned that the IP survive a business dissolution, financial failure or change in strategic emphasis. In any of the forgoing events, the archived technical documents would be lost with the termination of the business's interests and eventual reformatting, retirement or destruction of the servers.

Wilkinson at [0025] sets forth how a financial instrument based on IP may be evaluated and traded in a market. It happens that Wilkinson mentions that a business entity that owns IP could be a "partnership, fund, corporation, trust, foundation, endowment ..." But where would a person of skill in the art make a leap to find an equivalence between value in an IP market including a business entity owning IP assets and Applicant's enduring endowment of money pledged to fund the archival of IP into the future. Simply, a business entity is not equivalent to a sum of money used to fund an archival system, despite the coincidental (different context) use of the same words 'trust', 'endowment' and 'IP'.

A person of ordinary skill in the art, reading Watanabe, and aware of other fee-for-access based services might happily implement a service to offer access for payment. However, this ordinary person would also likely terminate their business venture once the fees became few and far between; essentially becoming an unsustainable business model. No systems are shown to exist which are capable of sustaining archived IP for assured access by users.

(5) Further discussion of what might be a motivation (MPEP 2143.01)⁵. We are guided to examine three possible sources of motivation:

(a) The nature of the problem?

As discussed above, neither Watanabe nor Wilkinson were directed to the preservation of IP.

Watanabe sought to simplify the reuse of a very small subset of IP: 'intellectual property to be reused for semiconductor designing' and to provide network access of previous designs to interested users. Watanabe never contemplates what may happen if the sharing business entity tires of the concept or suffers a financial failure and the archived designs are no longer offered, available or even saved. Simply, the problem is never addressed nor recognized. If Watanabe did not recognize the problem, Watanabe would not be motivated to solve it, and has not made any such reference to a solution.

Wilkinson address the problems of valuation and trading of financial instruments related to IP assets, but again fails to consider accessibility of IP at all and does not consider Applicant specific interests of assuring continued access, funding or preservation of archived IP. Again, wherein Wilkinson did not recognize the problem, Wilkinson would not be motivated to solve it, and has not made any such reference to a solution.

(b) the teachings of the prior art?

Watanabe provides access to specified IP which is of interest to others who wish to reuse the same IP. No fees are levied; neither a sustaining endowment, nor user fees. No motivation exists to add any funding mechanism at all.

⁵ MPEP 2143.01 "There are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." *In re Rouffet*, 149 F.3d 1350, 1357, 47 USPQ2d 1453, 1457-58 (Fed. Cir. 1998)

Wilkinson's values IP assets for trading purposes. Wilkinson is arguably non-analogous art – the valuation of financial instruments representing IP assets being very different from systems for the storage of IP, very different from financial systems for the access and maintenance of archived IP and very different from the methodology required for archiving IP into the future. Wilkinson makes no reference to the need for preservation and would not be motivated to do so as the risk of loss of IP would be borne by the owner of the IP asset and such risk would merely be reflected in the valuation. Operation of Wilkinson's valuation and trading system is unconcerned with such events.

The lack of such assurance of future access to the underlying IP in fact calls into question how the valuation of any IP asset, in the Wilkinson proposed system, would continue to be valid and verifiable beyond the exact moment when such valuation takes place. This lack of verifiable accessibility to IP and validity of valuation in turn calls into question the practicality of a trading market of financial instruments based on IP assets.

(c) knowledge of the person of skill in the art?

Applicant acknowledges that it is well known to those in the art, and some of which has been pointed out by the Examiner, to archive IP (databases), to index, to search and even to circulate annotated versions of IP. And that many of these features were public knowledge, with Watanabe being cited likely as 'best' prior art. The state of the art is deficient however in systems to preserve IP. Companies come and go and information is lost on a continuing basis. The internet is a prime example in which web sites come and go at the whim of the site-owner and as the dot com companies fail or merge into other entities. Applicant is not aware of any prior art which address the lodging of archived IP for access by others, the archived

IP being associated with a fund sufficient to ensure its continued existence and accessibility.

(6) Applicant's invention has 'superior and unexpected results'.
MPEP 2144.09⁸

IP can be archived and remain accessible to users regardless of the extent of subsequent user interest in the IP due to the establishing of an endowment fund associated with that IP. Once archived, the IP remains accessible. These results are not neither taught nor contemplated by Watanabe or Wilkinson.

The applicant respectfully submits that, in light of the above, an obviousness rejection cannot be maintained.

Claim 3 should be in condition for allowance. Accordingly, claims 2, 9-13 and 19-32 should also be in condition for allowance as being dependent upon an allowable claim. If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

In view of the foregoing remarks, reconsideration and allowance of claims 3, 2 9-13 and new claims 19 – 32 is respectfully requested.

⁸ MPEP 2144.09: Prima Facie Case Rebuttable By Evidence Of Superior Or Unexpected Results. A prima facie case of obviousness based on structural similarity is rebuttable by proof that the claimed [compounds] possess unexpectedly advantageous or superior properties. *In re Papesch*, 315 F.2d 381, 137 USPQ 43 (CCPA 1963)

If there are any outstanding issues that can be dealt with in a teleconference, this agent invites such a teleconference with the Examiner. This agent can be contacted at (403) 203-0107 (Mountain Standard Time, - 2 hours).

Respectfully submitted,

Date:

Jun 24/05

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